

MINUTES
UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY
UTAH WATER QUALITY BOARD
Washington County Administration Building
Council Chambers
197 E Tabernacle
St. George, Utah 84770
Monday, March 5, 2007

UTAH WATER QUALITY BOARD MEMBERS PRESENT

Paula Doughty	Darrel Mensel
Dave Echols	Jay Olsen
Neil Kochenour	Joe Piccolo
Dianne Nielson	Gregory Rowley

DIVISION OF WATER QUALITY STAFF MEMBERS PRESENT

Walt Baker, Faye Bell, Harry Judd, Ed Macauley, John Whitehead, Dan Hall, Beth Wondimu, Bill Moellmer, Harry Campbell, Paul Krauth, Don Hall, Jeff Studenka, Mike Herkimer

OTHERS PRESENT

<u>Name</u>	<u>Organization Representing</u>
Douglas Stipes	Swift & Company (EA Miller)
Lowell Peterson	Wolf Creek Sewer Imp District
Phil Wright	Wasatch Local Health Dept
Randy Taylor	DEQ District Engineer
Reed Fisher	CVWRF
Darwin Hall	Ash Creek SSD
Ray Loveless	UACD
Brad Rasmussen	Aqua Engineering
Jordan Herkimer	Visitor
Jan Anderson	Farm Bureau
Mark Petersen	Farm Bureau

Chair Piccolo called the Board meeting to order at 1:20 p.m. He welcomed those in attendance and invited the members of the audience to introduce themselves.

APPROVAL OF MINUTES OF THE JANUARY 19, 2007 MEETING

Motion: **It was moved by Ms. Doughty and seconded by Mr. Echols to approve the minutes of the January 19, 2007 Board meeting as written. The motion was unanimously approved.**

Executive Secretary's Report: Mr. Baker explained to the Board that two budget items were presented to the Legislature this past session: 1) GSL Mercury Study; and 2) ongoing Mercury Monitoring. The Legislature funded the GSL Mercury Study, but did not fund the ongoing effort. He also presented EPA initiatives and budget issues. The Instream Flow Legislation did not pass but changes to the Wastewater Loan Program allowing nonpoint source grants did. Ms. Nielson reviewed additional Legislative results to the Board.

Request for Agency Action on the Kennecott Utah Copper UPDES Permit: Mr. Nelson with the Attorney General Office conference called into the Board meeting, discussing with the Board the process that will be followed regarding the appeal that was registered on Kennecott's UPDES permit.

RULEMAKING

Adoption of Rulemaking to R317-12 General Requirements: Tax Exemption for Water Control Equipment: Mr. Macauley explained that the comment period closed on January 31, 2007, with no comments received. Staff is recommending that the Board adopt this rule change, to become effective March 9, 2007, concurrent with the revision to R307-120 adopted by the Air Quality Board on February 7, 2007. The purpose of this rule is to allow the Division of Water Quality to have rules independent from the Division of Air Quality. There are no substantive changes in the scope or intent from the current Air Quality rule, other than the separation of the rule into its two component parts.

Motion: **It was moved by Mr. Rowley and seconded by Mr. Echols to approve staff's request to adopt the changes to R317-12. The motion was unanimously approved.**

LOAN PROGRAM

Financial Assistance Status Report – Mr. Macauley updated the Board on the “Summary of Assistance Program Funds” as outlined on page 4.1.

SRF Annual Report presentation: Ms. Canton handed out to the Board the FY2006 Annual State Revolving Fund (SRF) Report.

Wolf Creek request for additional funds: Ms. Wondimu introduced Lowell Peterson, President of Wolf Creek SID, and Brad Rasmussen with Aqua Engineering. Wolf Creek is requesting an increase of \$1,990,000 to the \$3,510,000 loan at an interest rate of 3% repayable over 20 years, previously authorized by the Water Quality Board for expanding and upgrading the existing Wastewater treatment system. The unforeseen increases in material prices and an increase in the number of connections due to expansion of the planned area have caused an increase in the project cost by \$1,990,000 which was not anticipated. Staff recommends that the Board authorize financial assistance in the amount of a \$5,500,000 three percent interest loan over 20 years for the construction of an MBR wastewater treatment facility. There was some discussion by Mr. Olsen and Dr. Kochenour regarding the fact that Wolf Creek would be charging a sewer user fee equating to less than 1.4 percent of the MAGI for the region, and that perhaps staff should revise the recommended loan terms, possibly increasing the interest rate, or perhaps shortening the term of the loan to increase the amount of the annual debt service payment, resulting in the need for Wolf Creek to increase its sewer user fee up to 1.4 percent of the MAGI. Staff reiterated that the proposed wastewater treatment system will provide enhanced tertiary treatment, including a reduction in the total nitrogen concentration currently discharged to the groundwater, and that this should provide additional protection for Pineview Reservoir, which is an impaired water body due to nutrient loading from groundwater recharge.

Motion: It was moved by Dr. Kochenour and seconded by Mr. Mensel to approve Wolf Creek's request for \$5,500,000 with a hardship grant assessment of 3.0 percent repayable over 20 years, subject to rescission of the previously authorized funding of \$3,510,000. The motion was approved with Mr. Olsen and Mr. Echols voting against.

OTHER BUSINESS

Status report on the Utah AFO/CAFO Strategy: Mr. Ray Loveless presented the Board an update on the Utah Animal Feeding Operations, on page 5.1.

Request to Approve Morgan Valley Aquifer Classification. Mr. Hall explained to the Board that subsequent to the Board's October 20, 2006 authorization to proceed, a public hearing was held on January 25, 2007 in Morgan City to receive comment on the aquifer classification. Included in the packet is a document summarizing the results of the 30-day public comment period and public hearing. Staff recommended that the Board approve the aquifer classification as designated in the petition submitted by the Morgan County Commission.

Motion: It was moved by Dr. Nielson and seconded by Ms. Doughty to approve the aquifer classification as designated in the petition submitted by the Morgan County Commission. The motion was unanimously approved.

Discussion of R317-2, *Standards of Quality for Waters of the State*: Mr. Moellmer presented Staffs request to postpone adopting the changes to R317-2, *Standards of Quality for Waters of the State*. Staff considered the comments associated with the current standards and the proposed changes to the standards to be valuable and worthy of further consideration and discussion. Due to the additional time needed for discussion and investigation and the possibility of substantial revisions to the current standards and proposed changes, staff recommend that the rulemaking process for R317-2 be postponed at this time. Following a discussion, Ms. Nielson requested that staff periodically present to the Board an update explaining the progress. Mr. Judd agreed that staff will return to the Board to discuss a scoping period and triennial review and establish a stakeholder's committee

Motion: It was moved by Dr. Kochenour and seconded by Ms. Doughty to approve staff's request to postpone adopting changes to R317-2 and establish a stakeholders committee to review the Water Quality Standards. The motion was unanimously approved.

NEXT MEETING

At the Dixie Convention Center in St. George, Utah on April 18th, 2007 beginning at 9 a.m. in the Entrada B and C Conference Room.

Joe Piccolo, Chairman
Utah Water Quality Board